

The Baldwin Ministry

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WHEN in the autumn of last year the Tory "Die Hards," at a meeting at the Carlton Club, their Party headquarters, overthrew the Coalition Ministry and compelled Lloyd George to make way for a Conservative Government, the man whom they selected as their leader, Bonar Law, was only a stop-gap. He was to act as leader during the period of transition from rule by a continuation of the whole of the forces of big property in land, finance and industry, to rule by the forces of passive capitalism in league with the landed aristocracy and the clique around the King. When Lloyd George resigned office, there went with him those Conservatives who stood for a more aggressive imperialist policy consonant with the interests of British industry and commerce, rather than for a reactionary ascending policy, defensive of the class rule of the old governing classes of Europe and of America. Bonar Law, *persona grata* as he was with American high finance, was not so friendly disposed towards the imperialist assertiveness of France under its militarist-monarchist leadership. He was a Scottish-Canadian, and, as such, had about him a lingering atmosphere of that Liberalism which he inherited from his Scottish emigrant parentage mingling with his colonial bias towards a Britain imperial rather than merely insular or European in its outlook. He was comparatively acceptable to the newly enriched land speculators, mining engineers, and railway contractors around Lloyd George. They and the supporters of Bonar Law had made Lloyd George Prime Minister of Britain. Bonar Law continued to perpetuate within the new Tory Ministry something of the *nouveau riche* imperialist tradition of Lloyd George.

He and the Marquis Curzon stood for British self-assertion against France in all that affects the iron and steel trade, and for assertiveness against France and everyone else who challenges British expansion in Asia.

The Marquis Curzon, an impoverished aristocrat until his cynical marriage with an American heiress, owed his advancement to his peculiarly intimate knowledge of the Middle East, particularly Persia. His oriental scholarship and remarkable personal capacity obtained for him the chairmanship of the Imperial Bank of Persia, a British banking company, incorporating a syndicate of creditors of the State of Persia, who, in turn, owed their opportunities in that quarter to the fact that the two principals amongst them were court favourites and financial friends of the late King Edward, viz.:—Sir Edward Sassoon and Baron Reuter.

Curzon relinquished his directorship of the Imperial Bank of Persia when he became Viceroy of India. Every high-placed Indian bureaucrat has friends in high financial circles and the Marquis Curzon has never been without his share of these useful aids to political advancement. At once, a man of brilliant attainments, of aloof disposition and of boundless ambition, he has been elevated from rank to rank in the peerage until now he stands at a level to which no other tool of the imperialists, not even Milner or Balfour or Reading, has been raised. He is a Marquis. There is only one honour that he has yet to gain—a Dukedom.

To whom does he owe his advancement and for what services were his dignities conferred? He owes them to a King, personally and devotedly attached to his cousin, Tsar Nicholas and his Aunt, the ex-Empress Dowager, fearful above all things of the spread of Bolshevism, never happy unless surrounded by his troops or escorted by our potential Fascisti, the British Legion, *i.e.*, a monarchist organisation of ex-servicemen whose motto is—"For King and Empire." There is an inner circle of ex-officers amongst these, one of whom, there is reason to believe, is that Captain of the King's Life Guards, Fitzroy, who, as Deputy Chairman of the Committee of the House of Commons, recently ordered me to leave the Chamber.

The Foreign Secretary has had his vanity satiated by his King in order to make him the more willing to serve as a mask behind which the King, the Queen-Mother, the ex-Empress, and all the court clique of generals, admirals and flunkies can carry on manœuvring opposition to the recognition of Soviet Russia. In this country, the constitutional theory is that the King is not responsible for his actions. It is notorious that the actions of ill-will to Russia are those of the King and the Court, but the responsibility is the Marquis Curzon's.

The Marquis Curzon stands in our political life for unmitigated reaction abroad and at home. He stands for the patronage of Mussolini and the prosecution of relentless hostility to Sovietism or Socialism in any form other than that of the craven and treacherous opportunism of Snowden, Clynes and Thomas.

The menace to the British governing class and the whole property system is not, however, as yet sufficiently grave to make it wise for the King at this juncture to appoint his mask as his Prime Minister.

The more immediate task is to practise economy in the public finances and to maintain British imperialist prestige whilst not provoking the active opposition of either France or the United States. The French or the American imperialists would not, it is the guilty fear of the British imperialists, be averse to permitting Soviet Russia and nationalist Turkey to raise the East against them. The British imperialists are very conscious that they have no supreme navy, no adequate air force, and, certainly, no goodwill in the non-British world.

The King and the collection of *émigrés* and sycophants who crowd the Court (in contradistinction to the corrupt but very clever financial wirepullers who were the bosom companions of his gay old *roué* of a father) may desire to launch the diplomatic prestige and the strained man-power of Britain, at Moscow and Angora in an endeavour to restore the Danish brood to thrones and dignity in Russia and Greece. But the British bourgeoisie has no such intention of allowing its substance to be dissipated and its mastery over the masses to be shaken on a fool's errand of that character.

Therefore, whilst they may approve the King's patronage of Sir Benito Mussolini and are willing to exploit his inveterate hatred of the "Reds" to cajole Soviet Russia into making more and more concessions to Leslie Urquhart or that other syndicate with which the name of Sir Reginald Hall, the Tory Party organiser, has been linked—and which is opposed to the Russo-Asiatic group, the

British banking and mercantile class has no desire to raise a hornet's nest throughout the entire East by breaking with Russia.

They may be pressed into doing so by their King, or fooled into doing so by agencies operating in the Press, whether consciously or unconsciously, on behalf of Standard Oil or the Banque de Paris. These latter would, as Sir Allen Smith, the head of the engineering employers, showed in the House of Commons, referring to America, utilise a break-off of relations between Britain and Russia as an opportunity themselves to take Britain's place in Moscow's good graces.

The British bourgeoisie, therefore, has demanded—not Curzon, but Baldwin, as Prime Minister.

Mr. Stanley Baldwin, was, until he became a Minister of the Crown, a Director of Lloyds Bank, of the largest railway company in Great Britain and of the family firm of Baldwins, Ltd. His father and grandfather before him had been successful ironmasters in the Midlands industrial area to the west of Birmingham. They had been pioneers in the manufacture of Siemens and Gilchrist Thomas steel in South Wales, and had added to their iron and steel works great colliery properties. They had amassed an enormous fortune and become influential railway and banking magnates. In the three generations they have been the equals and, at the same time, the rivals of the Chamberlain family for economic and political pre-eminence in the Birmingham area.

The Chamberlains were to them as, in a sense, the Krupps to the Stinnes. The Chamberlains specialised in finished products, the Baldwins in the handling of the raw material of the finished article. In the same way, the Chamberlains were Liberal Unionists allied with, overpowering and, finally, dislodged from the leadership of the Conservative Party. The Baldwins were, all the time, Conservatives.

Stanley Baldwin has been more associated with the financial manipulation of his family's economic power. Politically, he has been an attaché of Bonar Law, himself an attaché of Joseph Chamberlain and the rival of his son, Austin Chamberlain.

Austen Chamberlain was ousted from the position of leader of the Conservative Party by the more purely Conservative elements utilising the services of Bonar Law, and the reversion of his leadership has now been secured by one of the Conservatives themselves in the person of Baldwin.

The latter has now no active share in the control of the business that bears his name. He has nothing to do with its direction and it is doubtful whether he is to any extent interested in it unless in the capacity of a holder of debenture and preference shares yielding an unvarying income alike in times of depression and prosperity. He and his family have joined economically the passive class of *rentiers*, of international investors, of landed proprietors.

It will have been observed that he did not include in his Ministry Sir Robert Horne, who was Chancellor of the Exchequer under Mr. Lloyd George. Sir Robert Horne, there is reason to believe, was asked and refused to take office. The excuse he gave was that his business undertakings would not allow him to do so. Sir Robert Horne was, and is, a lawyer who owes his advancement in the world of politics to the fact that his father was the parish church minister in a mining area (Samannan), where the all-powerful magnates were

the most influential firm of Scottish iron and coal magnates, the Bairds of Coatbridge, in Lanarkshire. He was known in business circles in Glasgow, prior to becoming a member of parliament, as "Baird's man Friday." Lloyd George promoted him from office to office until he became his Chancellor of the Exchequer. Horne was, and is, a Unionist.

In 1920, a syndicate of investment bankers, acting for a group of shipowners and shipbuilders, entered into an arrangement to buy Baldwins, Ltd., for a very large sum. Just as the engagement was being made an acute depression ensued on a period of feverish prosperity. The banking syndicate repudiated the transaction. Baldwins, Ltd., took them into the law courts, whereupon the banking syndicate made a surrender out of the court, £750,000 damages for breach of contract, and agreed to complete the purchase.

Meanwhile, the banking syndicate in question had come under the control of another banking syndicate, viz., Kleinwort, Sons & Co., a firm which has made enormous profits out of the exchanges, is the agent in London of Mendelsohn & Co., of Berlin, and is, also, providing heavy credits to Krupp. The same group is also standing behind Leslie Urquhart's concern, the Russian-Asiatic consolidated Co., Ltd., and of the Imperial and Foreign Corporation, Ltd., a concern of which Austen Chamberlain was the first chairman, and which was established to exploit Russia, Mesopotamia, and the middle East. In this same group is, also, Lloyds Bank, Ltd.

Sir Robert Horne is, now, chairman of the reconstructed firm of Baldwins, Ltd., and a director of Lloyds Bank. His group of interests desires a settlement of the Reparations question and a favourable conclusion to the negotiations in connection with the Russian Trade Agreement. He and they are shrewd enough to realise the foolishness of breaking off relations with Russia, and, at the same time, to understand the value of such a threat in making a bargain with Russia.

Stanley Baldwin is, like Lord Derby and other Conservative leaders, notoriously friendly towards France, and desires a closer political *rapprochement* which, of course, means an understanding whereby British and French interests shall jointly take over and exploit the Ruhr in lieu of the payment of impossible Reparation claims. As is everywhere always the case, the *rentier* and other passive elements of the property class are willing here in Britain to enter into negotiations with the foreign banking interests of Paris in order to drive a better bargain with the industrial and commercial interests of their own country. Sir Robert Horne stands for a prominent British industrial control in an international consortium to exploit the Ruhr. Poincaré stands for a prominent French industrial consortium to exploit the Ruhr.

Stanley Baldwin—and, probably, Loucheur—stands for a 50/50 British and French interest in an international consortium to exploit the Ruhr. Since Lloyd George, the Earl Balfour and their colleagues were sent out into the political wilderness and aggressive British imperialism yielded place to an attitude of "tranquility" in foreign relations, there has been visible a distinct orientation of American and British imperialisms towards each other and against France.

In the near East, France, which was the friend of the National Government of Turkey, has been losing influence in that quarter where her economic claims were being countered by those of the

American concessionaire, Admiral Chester. Behind him was, denials notwithstanding, the Standard Oil Company. Under the pressure of other circumstances connected with the British debt to the United States, the Government of the latter was able to induce the British to make concessions of a political character, affecting the financial administration of Persia and to allow the Standard interests a participation in oil tracts in that country.

Meanwhile, Stanley Baldwin has been to America and has arranged a settlement of the British Treasury's debt to the United States Treasury and to the bankers of New York. When the United States Treasury has issued script to the New York bankers to the amount of the United States' claim on the British Treasury, the said bankers will sell these to the investing class of the whole world, and the bondholders will have secured a sixty years' claim on the British taxpayer guaranteed by the United States Government, a claim to be settled, not in £ sterling, which may depreciate very rapidly "when Labour rules," but in gold dollars.

Baldwin has made a contract with American high finance, agreeable not only to the latter, but also to Baldwin's own class, the British section of the international bondholding fraternity. Baldwin has, it is most important to observe, asked to become his Chancellor of the Exchequer, Mr. Reginald McKenna, the chairman of the largest of all the British joint stock banks, the London Joint City and Midland Bank. Mr. McKenna has been to America just after Lord Balfour wrote a very displeasing note concerning the British debt to America. Immediately on his return to England, this life-long Liberal, formerly Chancellor of the Exchequer in Mr. Asquith's Ministry, went upon the platform of a political meeting addressed by Mr. Bonar Law in the City of London.

Now, passing over the Conservative Austen Chamberlain, Baldwin has invited and secured as his second in command Mr. McKenna.

Baldwin and McKenna, the two men who negotiated the contract with the American creditors, are to be the two men to administer "tranquility" in such a way as to assure "economy," and to make sure not only that the creditors get their money, but that British finances are so re-organised as to ensure that the debtors have the best of the bargain so long as the British bourgeoisie maintains control of the British Government machine. By concerted action alike on the economic and the political planes, the banking oligarchy of this country, who temporarily lost control of the state apparatus at home and the monetary supremacy abroad during the war period, when Canadian speculators and Lloyd George captured the helm of government, has been winning its way back to its former pre-eminence in the financial City of London and the governmental City of Westminster.

The banking oligarchy is determined to consolidate its power at home and to prepare to assert once more its prestige abroad. Stanley Baldwin is orienting the policy of Britain towards France. This does not mean that either the problem of the Ruhr or the question of the straits and of Mosul is near to a settlement. What it does mean is that the triangular contest between Britain, France, and the United States for the mastery of steel, coal, and petroleum is entering upon another phase. France is in financial difficulties. She is being pressed by her creditors, *i.e.*, by the United States. American steel capitalism has no intention of permitting French

high finance to unite the iron ore of Normandy and Lorraine with the coking coal of the Ruhr unless American big business is permitted to enter as a participant.

British high finance knows this, and knows that French high finance also knows it. Severally, they are each weaker than the American high finance. Together, they are, if weaker in volume of money, stronger in the experience of handling in conjunction money power and state power.

Already in the near East, a British group comprising Rothschild (the ally of "Shell" oil), Schroeder (the ally of Anglo-Persian oil), and Lloyds Bank (the ally of big Indian interests), has acquired from a Swiss bank the reversion of certain German interests in the Anatolian (*i.e.*, Bagdad) Railway, which should, normally, have passed to France.

Following upon this, Venizelos, the political catspaw of Anglo-Hellenic capitalism, has come to an understanding with Ismet Pasha. The latter has waived the Turkish claim to an indemnity.

Britain and France are drawing together in the East. Britain and France will draw together in the Ruhr. Baldwin and McKenna are preparing to keep faith with the United States—just as long as it pays them to do so!